



BUSINESS SERVICES DIVISION

Pomona Unified School District

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September 17, 2012

The Honorable Board of Supervisors
County of Los Angeles
Room 383, Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Re: \$20,970,000 Pomona Unified School District
(Los Angeles County, California)
General Obligation Bonds, 2008 Election, Series D
(Federally Taxable Direct-Pay Qualified School Construction Bonds)

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

33 October 2, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

On August 6, 2012, the Board of Education of the Pomona Unified School District (the "District") adopted its Resolution No. 3 (2012-13) (the "District Resolution") authorizing the issuance and sale of the Pomona Unified School District (Los Angeles County, California) Taxable General Obligation Bonds, 2008 Election, Series D (Direct-Pay Qualified School Construction Bonds) in the aggregate principal amount of not to exceed \$20,970,000 under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code. A signed copy of the adopted District Resolution is enclosed with this letter.

The District formally requests in accordance with applicable law that the Board of Supervisors adopt the enclosed resolution (the "County Resolution") to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Bonds.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed County Resolution.
2. After the board has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board furnish two (2) certified copies of this Resolution to: Jones Hall, A Professional Law Corporation, at 650 California Street, 18th Floor, San Francisco, California 94108, Attn: Charles F. Adams, Esq., and send one (1) copy of this Resolution to each of the following:

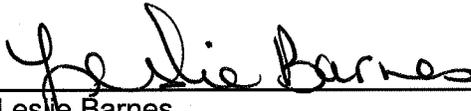
Los Angeles County Treasurer and Tax Collector
Attn: John Patterson
Assistant Director – Public Finance
500 W. Temple Street, Room 432
Los Angeles, California 90012

Los Angeles County Auditor-Controller
Attn: Jackie Guevarra, CPA
Principal Accountant-Auditor
500 W. Temple Street, Room 603
Los Angeles, California 90012

Los Angeles County Counsel
Attn: Cammy C. DuPont
Principal Deputy County Counsel
500 W. Temple Street, Room 648
Los, Angeles, California 90012

Sincerely,

POMONA UNIFIED SCHOOL DISTRICT

By: 
Leslie Barnes

Assistant Superintendent/Chief Financial Officer

cc: County Counsel (w/attachments)

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING
THE LEVY OF TAXES FOR GENERAL OBLIGATION BONDS
OF THE POMONA UNIFIED SCHOOL DISTRICT AND
DIRECTING THE COUNTY AUDITOR-CONTROLLER TO
MAINTAIN TAXES ON THE TAX ROLL**

WHEREAS, the issuance of \$235,000,000 principal amount of general obligation bonds of the Pomona Unified School District (the "District") County of Los Angeles (the "County"), State of California, was authorized at a duly called election held within the District on November 4, 2008 (the "Election"), the proceeds of which are to be used for the construction of certain capital improvements to the public school facilities of the District; and

WHEREAS, the Board of Supervisors of the County has previously issued and sold an initial series of such bonds in the name of the District in the aggregate principal amount of \$35,000,000 and the Board of Education of the District has previously issued and sold two additional series of such bonds in the aggregate principal amount of \$50,000,000; and

WHEREAS, the Board of Education of the District (the "District Board") has determined in its Resolution adopted August 6, 2012 (the "District Resolution") to authorize the issuance and sale of a fourth series of Bonds, consisting of the Pomona Unified School District (Los Angeles County, California) Taxable General Obligation Bonds, 2008 Election, Series D (Direct-Pay Qualified School Construction Bonds) in the aggregate principal amount of not to exceed \$20,970,000 (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 (commencing with Section 53506) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") for the purpose of financing additional projects authorized at the Election; and

WHEREAS, pursuant to the Bond Law the District Board is authorized to provide for the issuance and sale of the Bonds by resolution; and

WHEREAS, under the Resolution, the District Board has formally requested the County Board of Supervisors to levy taxes in an amount sufficient to pay the principal and interest on the Bonds when due, and to direct the Auditor-Controller of the County of Los Angeles to place on its 2012-13 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule that will be provided to the Auditor-Controller; and

WHEREAS, the Los Angeles County Treasurer and Tax Collector (the "Treasurer") has been designated by the District to act as the paying agent, registrar, authentication agent and transfer agent (collectively, the "Paying Agent") pursuant to the District Resolutions and the District has consented to the Treasurer contracting with a third party to perform the services of Paying Agent.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Issuance of Bonds. That the District may issue and sell the Bonds on its own behalf, pursuant to the Bond Law and Section 15140 of the Education Code.

SECTION 2. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to place on its 2012-13 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to pay the principal of and interest on the Bonds, according to the debt service schedules to be provided by the District to the Auditor-Controller.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 2nd day of October 2012, by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By

Lachelle Smithman
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI,
County Counsel

By:

Sammye L. DePort
Principal Deputy County Counsel

Agenda Item Details

Meeting Aug 06, 2012 - Regular Board Meeting
Category 9. Special Action Items
Subject 9.06 Resolution No. 3 (2012-13) Authorizing the Issuance and Sale of Taxable General Obligation Bonds, 2008 Election, Series D (Direct-Pay Qualified School Construction Bonds), in the Principal Amount of Not to Exceed \$20,970,000
Access Public
Type Action

Public Content

It is recommended that the Board of Education approve Resolution No. 3(2012-13) Authorizing the Issuance and Sale of Taxable General Obligation Bonds, 2008 Election, Series D (Direct-pay Qualified School Construction Bonds), in the principal amount of not to exceed \$20,970,000.

Rationale:

The American Recovery and Reinvestment Act of 2009 granted a national allocation of \$11 billion to provide for the issuance of Qualified School Construction Bonds, in accordance with the qualified tax credit bond program set forth in Section 54A of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the District has received an allocation from the California Department of Education to issue Qualified School Construction Bonds in the aggregate principal amount of not to exceed \$20,970,000.

[Resolution No. 3 \(2012-13\) Authorizing the Issuance of Qualified School Construction Bonds.doc \(200 KB\)](#)

Motion & Voting

The item was moved by Mrs. Konigar-Macklin, seconded by Dr. Perlman, and approved with Mr. Wong abstaining.



Motion by Adrienne Konigar-Macklin, second by Roberta Perlman.

Final Resolution: Motion Carries

Yea: Jason Rothman, Roberta Perlman, Frank Guzman, Adrienne Konigar-Macklin

Abstain: Andrew S Wong

Last Modified by Ana Garcia on August 9, 2012

**BOARD OF EDUCATION
POMONA UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 03 (2012-13)

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TAXABLE
GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES D (DIRECT-
PAY QUALIFIED SCHOOL CONSTRUCTION BONDS), IN THE
PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,970,000**

WHEREAS, an election was duly and regularly held in the Pomona Unified School District (the "District") on November 4, 2008, in accordance with Section 1(b)(3) of Article XIII A of the California Constitution, for the purpose of submitting Measure PS (the "Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$235,000,000 (the "Bonds"), and more than 55% of the votes cast were in favor of the issuance of the Bonds; and

WHEREAS, the Board of Supervisors of the County of Los Angeles (the "County") has previously issued and sold an initial series of the Bonds in the name of the District in the aggregate principal amount of \$35,000,000, and the Board of Education of the District has previously issued two series of the Bonds in the aggregate principal amount of \$50,000,000; and

WHEREAS, the Board of Education of the District is authorized to provide for the issuance and sale of any series of Bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 granted a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds ("Qualified School Construction Bonds"), in accordance with the qualified tax credit bond program set forth in Section 54A of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the District has received an allocation from the California Department of Education to issue Qualified School Construction Bonds in the aggregate principal amount of not to exceed \$20,970,000; and

WHEREAS, the Board of Education wishes at this time to initiate proceedings for the issuance of a fourth series of Bonds under the Bond Law in the aggregate principal amount of not to exceed \$20,970,000 as provided in this Resolution, which shall constitute the Qualified School Construction Bonds for which the District has received an allocation from the California Department of Education;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Pomona Unified School District as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

"Authorized Investments" means any investments permitted by law to be made with moneys belonging to or in the custody of the District.

"Available Project Proceeds" means (i) the proceeds from the sale of the Series D Bonds, (ii) less costs of issuing the Series D Bonds paid from proceeds of the sale of the Series D Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii).

"Board" means the Board of Education of the District.

"Bond Counsel" means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Law" means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as in effect on the date of adoption hereof and as amended hereafter.

"Bond Measure" means the measure submitted to and approved by more than 55% of the voters, under which the issuance of the Bonds has been authorized.

"Bond Purchase Agreement" means, in the event the Series D Bonds are sold on a negotiated basis, the Bond Purchase Agreement between the District and the Original Purchaser, relating to the purchase of the Series D Bonds by the Original Purchaser.

"Bond Subsidy Payments" means, with respect to the Series D Bonds, the amounts which are payable by the Federal government under Section 6431 of the Tax Code, which the District has elected to receive under Section 54AA(g)(1) of the Tax Code.

"Bond Year" means the one-year period beginning on August 1 in each year and ending on the next succeeding July 31; except that the first Bond Year begins on the Closing Date and ends on July 31, 2013.

"Building Fund" means the fund established and held by the Los Angeles County Office of Education under Section 3.05.

"Closing Date" means the date upon which there is a delivery of the Series D Bonds in exchange for the amount representing the purchase price of the Series D Bonds by the Original Purchaser.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate (if any) which is executed and delivered by a District Representative on the Closing Date.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Series D Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees and any other cost, charge or fee in connection with the original issuance of the Series D Bonds.

"County" means the County of Los Angeles, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Treasurer" means the Treasurer and Tax Collector of the County, or any person at any time performing the duties of treasurer of the County.

"Debt Service Fund" means the account established and held by the County Treasurer under Section 4.02.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the Pomona Unified School District, a unified school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the Superintendent or the Assistant Superintendent/ Chief Financial Officer of the District, or any other person authorized by resolution of the Board of Education of the District to act on behalf of the District with respect to this Resolution and the Series D Bonds.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Education Code" means the Education Code of the State of California as in effect on the date of adoption hereof and as amended hereafter.

"Expenditure Period" means the "expenditure period" defined in Section 54A(d)(2)(B)(ii) of the Tax Code and consists of the period beginning on the date of issuance of the Series D Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full

faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"Interest Payment Dates" with respect to any Series D Bond means February 1 and August 1 in each year during the term of such Series D Bond, commencing February 1, 2013 (or as otherwise may be provided in the Bond Purchase Agreement).

"Mandatory Sinking Fund Payments" means the schedule of deposits (if any) which are required to be made into the Sinking Fund in each Fiscal Year during the term of the Series D Bonds, as set forth in the Bond Purchase Agreement.

"Office" means the office or offices of the Paying Agent for the payment of the Series D Bonds and the administration of its duties hereunder. Initially, the Office of the Paying Agent is 500 West Temple Street, Room 437, Los Angeles, California. The Office may be re-designated from time to time under written notice filed with the District by the Paying Agent.

"Official Notice of Sale" means, in the event the Series D Bonds are sold on a competitive public basis, the Official Notice of Sale for the Series D Bonds which is approved under Section 3.01(b).

"Outstanding," when used as of any particular time with reference to Series D Bonds, means all Series D Bonds except: (a) Series D Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Series D Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Series D Bonds in lieu of or in substitution for which other Series D Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

"Original Purchaser" means a bank, underwriter or other financial institution which is either (a) designated as the purchaser of the Series D Bonds from the District upon the negotiated sale thereof under Section 3.01(a), or (b) the winning bidder for the Series D Bonds upon the competitive sale thereof under Section 3.01(b).

"Owner", whenever used herein with respect to a Series D Bond, means the person in whose name the ownership of such Series D Bond is registered on the Registration Books.

"Paying Agent" means the County Treasurer and his designated agents or his successors or assigns acting in the capacity of paying agent, registrar, authentication agent and transfer agent. The County Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

"Qualified Purposes" means the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Tax Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that is being constructed, rehabilitated, or repaired with proceeds of the Series D Bonds constitute a Qualified Purpose.

"Record Date" means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Series D Bonds under Section 2.08.

"Required Sinking Fund Balance" means, as of any date, the aggregate amount of all Mandatory Sinking Fund Payments (if any) which are required to be on deposit in the Sinking Fund as of such date.

"Resolution" means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Series D Bonds" means the not to exceed \$20,970,000 aggregate principal amount of Pomona Unified School District (Los Angeles County, California) Taxable General Obligation Bonds, 2008 Election, Series D (Direct-Pay Qualified School Construction Bonds) issued and at any time Outstanding under this Resolution.

"Sinking Fund" means the fund by that name established and held by the County Treasurer under Section 4.05.

"Taxable Bond Act" means the provisions of Section 5900 et seq. of the California Government Code, as in effect on the date of adoption hereof and as amended hereafter.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Written Certificate of the District" or "Written Request of the District" means a certificate, request or other instrument in writing signed by a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series D Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series D Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE SERIES D BONDS

SECTION 2.01. *Authorization.* The Board hereby authorizes the issuance of the Series D Bonds in the principal amount of not to exceed \$20,970,000 under and subject to the terms of Article XIII A, Section 1 paragraph (b) of the California Constitution, the Bond Law and this Resolution, for the purpose of raising money for the acquisition or improvement of educational facilities in accordance with the Bond Measure. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Outstanding Series D Bonds to secure the full and final payment of principal thereof and interest and premium thereon, subject to the covenants, agreements, provisions and conditions herein contained. The Series D Bonds are designated the "Pomona Unified School District (Los Angeles County, California) Taxable General Obligation Bonds, 2008 Election, Series D (Direct-Pay Qualified School Construction Bonds)."

SECTION 2.02. *Terms of Series D Bonds.*

(a) Form; Numbering. The Series D Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Series D Bonds maturing in the year of maturity of the Series D Bond for which the denomination is specified. Series D Bonds shall be lettered and numbered as the Paying Agent may prescribe.

(b) Date of Series D Bonds. The Series D Bonds shall be dated as of the Closing Date.

(c) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Series D Bonds, but such numbers do not constitute a part of the contract evidenced by the Series D Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series D Bonds. Any failure by the District to use CUSIP numbers in any notice to Owners of the Series D Bonds will not constitute an event of default or any violation of the District's contract with the Owners and will not impair the effectiveness of any such notice.

(d) Maturities. The Series D Bonds shall mature on the dates and in the principal amounts as set forth in the Bond Purchase Agreement or the Official Notice of Sale, provided that the final maturity of the Series D Bonds shall be not later than the final date allowed for Qualified School Construction Bonds under the application provisions of the Tax Code.

Each Series D Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it will bear interest from the dated date of the Series D Bonds; *provided, however*, that if at the time of authentication of a Series D Bond, interest is in default thereon, such Series D Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Schedule of Mandatory Sinking Fund Payments. The Board hereby authorizes a District Representative to determine whether it is in the best interests of the District and its taxpayers for the Series D Bonds to consist of a single maturity for which Mandatory Sinking Fund Payments are established. The aggregate amount of all such Mandatory Sinking Fund Payments shall be calculated to be sufficient to pay the principal amount of the Series D Bonds when due at maturity. The final schedule of Mandatory Sinking Fund Payments shall be set forth in the Bond Purchase Agreement or the Official Notice of Sale.

(f) Payment. Interest on the Series D Bonds (including the final interest payment upon maturity or redemption) is payable by check of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series D Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series D Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Series D Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

SECTION 2.03. *Redemption of Series D Bonds.*

(a) Optional Redemption. The Series D Bonds may be made subject to optional redemption prior to maturity, if and to the extent set forth in the Bond Purchase Agreement or the Official Notice of Sale.

(b) Extraordinary Mandatory Redemption. In the event and to the extent that the District fails to expend all of the proceeds of the Series D Bonds within the Expenditure Period, the Series D Bonds shall be subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, at a redemption price equal to 100% of the principal amount of the Outstanding Series D Bonds to be redeemed, together with accrued interest thereon to the redemption date, without premium. The redemption price of any Bonds to be redeemed under this subsection (b) shall be payable solely from the amounts held by the County Treasurer in the Building Fund at the expiration of the Expenditure Period; except that

accrued interest on the Series D Bonds to be redeemed shall be payable from amounts held by the County Treasurer in the Debt Service Fund.

(c) Term Bond Redemption. In the event and to the extent set forth in the Bond Purchase Agreement or the Official Notice of Sale, any one or more maturities of the Series D Bonds may be designated as term bonds which are subject to mandatory redemption on such dates and in such principal amounts as set forth in the Bond Purchase Agreement or the Official Notice of Sale, at a redemption price equal to 100% of the principal amount of the Outstanding Series D Bonds to be redeemed, together with accrued interest thereon to the redemption date, without premium.

(d) Selection of Bonds for Redemption. Whenever less than all of the Outstanding Series D Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series D Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond shall be deemed to consist of individual bonds of minimum authorized denominations each which may be separately redeemed.

(e) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books, and also to the Securities Depositories and the Municipal Securities Rulemaking Board. Such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Series D Bonds. In addition, notice of redemption shall be given by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least two days prior to such mailing to the Series D Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series D Bonds are to be called for redemption, shall designate the serial numbers of the Series D Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Series D Bonds of one or more maturities have been called for redemption, and shall require that such Series D Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series D Bonds will not accrue from and after the redemption date.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the aggregate principal amount of the unredeemed portion of the Series D Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest on the Series D Bonds so called for redemption have been duly provided, such Series D Bonds shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice. The Paying Agent shall cancel all

Bonds redeemed under this Section 2.03 and file a certificate or other evidence of such cancellation with the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series D Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Series D Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption to the respective Owners of the Series D Bonds designated for redemption, at their addresses appearing on the Registration Books, and also to the Securities Depositories and the Municipal Securities Rulemaking Board.

SECTION 2.04. *Form of Series D Bonds.* The Series D Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Appendix A attached hereto.

SECTION 2.05. *Execution of Series D Bonds.* The Series D Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Clerk of the Board. Only those Series D Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Series D Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of Series D Bonds.* Any Series D Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series D Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Series D Bond issued upon any transfer.

Whenever any Series D Bond or Bonds is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Series D Bond or Bonds, for like aggregate principal amount. No transfers of Series D Bonds shall be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series D Bonds for redemption or (b) with respect to a Series D Bond which has been selected for redemption.

SECTION 2.07. *Exchange of Series D Bonds.* Series D Bonds may be exchanged at the Office of the Paying Agent for a like aggregate principal amount of Series D Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Series D Bond issued upon any exchange (except in the case of any exchange of temporary Series D Bonds for definitive Series D Bonds). No exchange of Series D Bonds is required to be made (a) 15 days prior to the

date established by the Paying Agent for selection of Series D Bonds for redemption or (b) with respect to a Series D Bond after it has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Series D Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Series D Bonds as herein before provided.

SECTION 2.09. *Book-Entry System.* Except as provided below, DTC shall be the Owner of all of the Series D Bonds, and the Series D Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Series D Bonds shall be initially executed and delivered in the form of a single fully registered Series D Bond for each maturity date of the Series D Bonds in the full aggregate principal amount of the Series D Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series D Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Series D Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Series D Bonds. The District shall cause to be paid all principal and interest with respect to the Series D Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series D Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series D Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series D Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Series D Bonds. In such event, the District shall issue, transfer and exchange Series D Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series D Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Series D Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series D Bonds evidencing the Series D Bonds to any Depository System Participant having Series D Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series D Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series D Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Series D Bond and all notices with respect to such Series D Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Series D Bonds.

ARTICLE III

SALE OF SERIES D BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Sale of Series D Bonds.*

(a) Authorization to Sell at Negotiated Sale. Pursuant to Section 5903 of the Taxable Bond Act, the Board hereby authorizes the negotiated sale of the Series D Bonds to a bank, underwriter or other financial institution which is designated to act as Original Purchaser by the Superintendent upon the advice of Dale Scott & Company Inc., as financial advisor to the District. The Series D Bonds shall be sold to the Original Purchaser under the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board, together with any changes thereto which are approved by a District Representative, whose execution thereof shall be conclusive evidence of the approval of such changes. The Original Purchaser's discount shall not exceed 1.25% of the aggregate principal amount of the Series D Bonds sold thereunder, and the rate of interest on the Series D Bonds shall not exceed 8.00% per annum.

The Board has determined that it may be advisable to sell the Series D Bonds at negotiated sale for the following reasons: (a) Qualified School Construction Bonds constitute a relatively new instrument that do not have broad appeal in the municipal bond market, and (b) negotiating the sale of the Series D Bonds will allow flexibility in designating terms and provisions of the financing which are the most advantageous to the District and its taxpayers.

(b) Authorization to Sell at Public Sale. Notwithstanding the foregoing provisions of subsection (a), in the event the Superintendent upon the advice of Dale Scott & Company Inc., as financial advisor to the District, determines that it is in the best financial interests of the District to do so, the Board hereby authorizes the sale of the Series D Bonds by competitive public bidding. In that event, bids shall be received in accordance with the provisions of the Official Notice of Sale in substantially the form on file with the Clerk of the Board, together with such additions thereto and changes therein as may be approved by a District Representative. Under Government Code Section 53692, the Board hereby authorizes the firm of Jones Hall, A Professional Law Corporation, as Bond Counsel to the District, to publish a Notice of Intention to Sell Bonds in form and substance acceptable to Bond Counsel, in *The Bond Buyer* once at least five days prior to the date fixed for receipt of bids.

(c) Provisions of Sale Documents to be Controlling. Notwithstanding anything in this Resolution to the contrary, any of the terms of the Series D Bonds may be established or modified by the Bond Purchase Agreement or the Official Notice of Sale. In the event of a conflict or inconsistency between this Resolution and the Bond Purchase Agreement or the Official Notice of Sale relating to the terms of the Series D

Bonds, the provisions of the Bond Purchase Agreement or the Official Notice of Sale shall be controlling.

SECTION 3.02. *Approval of Official Statement.* The Board hereby approves the Preliminary Official Statement describing the Series D Bonds in the form on file with the Clerk of the Board, and hereby directs a District Representative to approve additions and corrections thereto as required to cause the Preliminary Official Statement to be deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. A District Representative is hereby authorized, at the request of the Original Purchaser, to execute an appropriate certificate affirming his or her determination that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Original Purchaser is hereby approved. The Final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

SECTION 3.03. *Application of Proceeds of Sale of Bonds.* The proceeds received from the sale of the Series D Bonds shall be applied on the Closing Date as follows:

- (a) The amount of premium (if any) received by the County Treasurer upon the sale of the Series D Bonds shall be deposited in the Debt Service Fund.
- (b) The County Treasurer shall deposit in the Debt Service Fund an amount (if any) of capitalized interest on the Series D Bonds as may be identified in a Written Certificate of the District filed with the County Treasurer.
- (c) A portion of such proceeds may be applied to pay Costs of Issuance under the circumstances set forth in Section 3.07.
- (d) The remainder of such proceeds shall be deposited by the County Treasurer in the Building Fund.

SECTION 3.04. *Estimated Financing Costs.* The firm of Jones Hall, A Professional Law Corporation, has previously been engaged to act as the District's bond counsel and disclosure counsel, and the firm of Dale Scott & Company Inc. has previously been engaged to act as the District's financial advisor, in connection with the issuance and sale of the Series D Bonds. The costs of issuance associated with the bond sale are estimated to be \$225,000, which includes the financial advisor and legal counsel fees, costs of printing the Official Statement, rating agency fees, Paying Agent fees and Original Purchaser's discount.

SECTION 3.05. *Building Fund.* The District hereby directs the Los Angeles County Office of Education to establish, hold and maintain a fund to be known as the "Pomona Unified School District 2008 Election, Series D General Obligation Bonds Building Fund", to be maintained by the Los Angeles County Office of Education as a separate account, distinct from all other funds of the County and the District. The proceeds from the sale of the Series D Bonds, to the extent required under Section 3.03(b), shall be deposited in and credited to the Building Fund, and shall be expended by the District solely for the purposes for which the Series D Bond proceeds are authorized to be expended under the Ballot Measure. All interest and other gain arising

from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof.

At the Written Request of the District filed with the Los Angeles County Office of Education, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Series D Bonds. If there remain excess amounts on deposit in the Building Fund, after payment in full of the Series D Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Series D Bonds have been authorized or otherwise in accordance with the Bond Law.

The County has no responsibility and assumes no liability whatsoever arising from the expenditure of the proceeds of the Series D Bonds by the District.

SECTION 3.06. *Taxable Status of the Series D Bonds.* The Board hereby determines that interest payable on the Series D Bonds will be subject to federal income taxation, and that the provisions of the Taxable Bond Act apply to the Series D Bonds. At the determination of a District Representative that it would be in the best interests of the District to exercise any of the powers granted to it under the Taxable Bond Act, the District may take any action permitted thereunder whether or not such action is otherwise authorized under this Resolution or conflicts with any other provision of this Resolution.

SECTION 3.07. *Costs of Issuance Custodian Agreement.* The Costs of Issuance of the Series D Bonds may be paid by the Original Purchaser from its own funds, or may be paid from the proceeds of the Series D Bonds at the direction of the District. The Board hereby approves the Costs of Issuance Custodian Agreement with U.S. Bank National Association in substantially the form on file with the Clerk of the Board. As provided in said agreement, amounts provided for payment of Costs of Issuance shall be deposited thereunder and the payment of Costs of Issuance shall be requisitioned by a District Representative in accordance with said agreement.

SECTION 3.08. *Official Actions.* The President of the Board, the Superintendent, the Assistant Superintendent/ Chief Financial Officer, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series D Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

ARTICLE IV

SECURITY FOR THE SERIES D BONDS; DEBT SERVICE FUND

SECTION 4.01. *Security for the Series D Bonds.* The Series D Bonds are general obligation bonds of the District, and the Board of Supervisors of the County has the power to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Series D Bonds and the interest thereon, in accordance with and subject to Sections 15250 and 15252 of the Education Code.

SECTION 4.02. *Pledge and Application of Bond Subsidy Payments.* The Series D Bonds are further secured by and payable from the Bond Subsidy Payments. Promptly upon receipt of any Bond Subsidy Payments, the District shall cause such Bond Subsidy Payments to be paid to the County Treasurer for deposit into the Debt Service Fund.

SECTION 4.03. *Levy of Ad Valorem Property Taxes for Payment of Bonds.* The Board hereby directs the County to levy *ad valorem* taxes without limitation as to rate or amount, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Series D Bonds, including all annual Mandatory Sinking Fund Payments (if any) which are required to pay the principal of the Series D Bonds at maturity or upon the prior redemption thereof, in conformity with the terms of the Series D Bonds and of this Resolution. Nothing herein contained prevents the District from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

In order to provide the benefits to the taxpayers of the District of the Bond Subsidy Payments and the investment of amounts on deposit in the Sinking Fund, the Board hereby directs the County to levy an amount of annual *ad valorem* taxes in each Fiscal Year which is sufficient, together with the amounts held in the Debt Service Fund at the time of such tax levy, to (a) pay interest coming due and payable on the Series D Bonds prior to the receipt of the next tax levy, and (b) cause the balance on deposit in the Sinking Fund to equal the Required Sinking Fund Balance as of the date prior to the receipt of the next tax levy.

SECTION 4.04. *Establishment of Debt Service Fund.* The District hereby directs the County Treasurer to establish, hold and maintain a fund to be known as the "Pomona Unified School District 2008 Election, Series D General Obligation Bonds Debt Service Fund", which the County Treasurer shall maintain as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Series D Bonds shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. In addition, the County shall deposit into the Debt Service Fund all Bond Subsidy Payments which are paid to the County. The Debt Service Fund is hereby pledged for the payment of the interest on the Series D Bonds when due. Amounts in the Debt Service Fund, to the extent necessary to pay the interest on the Series D Bonds when due, shall be transferred by the County to the Paying Agent as required. In addition, amounts on deposit in the Debt Service Fund shall be transferred to the Sinking Fund annually, on each date on which a

Mandatory Sinking Fund Payment is due, in an amount required to cause the balance in the Sinking Fund to equal the Required Sinking Fund Balance.

The Debt Service Fund is pledged for the payment of the principal of and interest on the Series D Bonds when and as the same become due, including the principal of any term Series D Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Series D Bonds when due. As provided in Section 15232 of the Education Code, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Series D Bonds elsewhere than at the office of the County Treasurer, and all such amounts shall be collected as additional *ad valorem* property taxes levied in accordance with Section 4.03.

Any moneys remaining in the Debt Service Fund after the Series D Bonds have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District as provided in Section 15234 of the Education Code.

SECTION 4.05. *Sinking Fund.* In the event a schedule of Mandatory Sinking Fund Payments is established for the Series D Bonds under Section 2.02(e), the Board hereby directs the County to establish, hold and maintain a fund to be known as the "Election 2008, Series D Sinking Fund", to be maintained by the County Treasurer as a separate account, distinct from all other funds of the County and the District. An amount equal to the Required Sinking Fund Balance shall be maintained on deposit in the Sinking Fund at all times. The Sinking Fund is hereby pledged for the payment of the principal of the Series D Bonds when due, including the principal coming due and payable on the mandatory redemption of any Series D Bonds under Section 2.03(c). Amounts in the Sinking Fund, to the extent necessary to pay the principal of the Series D Bonds when due, shall be transferred by the County to the Paying Agent as required. The Sinking Fund constitutes a reserve fund for the Series D Bonds and will be maintained in accordance with Section 5.04(l).

SECTION 4.06. *Investments.* All moneys held in any of the funds or accounts established with the County hereunder will be invested in Authorized Investments in accordance with the investment policies of the County, as such policies exist at the time of investment. Notwithstanding the foregoing, investment of amounts in the Sinking Fund shall be made in accordance with Section 5.04(l). Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder will be retained in the fund or account from which such investment was made, and will be expended for the purposes thereof.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Series D Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.04, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded

on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest on the Series D Bonds, in strict conformity with the terms of the Series D Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Series D Bonds. Nothing herein contained prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Series D Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Series D Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.03. *Protection of Security and Rights of Series D Bond Owners.* The District will preserve and protect the security of the Series D Bonds and the rights of the Series D Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Series D Bonds by the District, the Series D Bonds shall be incontestable by the District.

SECTION 5.04. *Tax Covenants.* In order to provide assurances that the Series D Bonds will constitute Qualified School Construction Bonds at all times during the term thereof, the District hereby makes the following covenants:

- (a) Allocation of State QSCB Limitation. The District has received an allocation of qualified school construction bond authority in the amount of \$20,970,000 from the Division Director of the School Facilities Planning Division of the State Superintendent of Public Instruction, included in the transcript for the Series D Bonds.
- (b) Designation of Series D Bonds as Qualified School Construction Bonds. The District hereby designates the Series D Bonds as

Qualified School Construction Bonds for purposes of Section 54F(a)(3) of the Tax Code. The District also hereby irrevocably elects to apply the provisions of Section 6431(f) of the Tax Code to the Series D Bonds and intends that the Series D Bonds be treated as specified tax credit bonds within the meaning of Section 6431(f)(2) of the Tax Code. It is the intent of the District that the Series D Bonds be eligible for direct payment from the United States Department of Treasury of an amount equal to the tax credit.

- (c) Filing of Forms To Receive Bond Subsidy Payments. The District (or the Paying Agent or another third party, if appointed in writing by the District) will, within the 45-day period beginning on the date that is 90 days before the next Interest Payment Date, file Form 8038-CP or any successor form designated by the federal government, requesting payment of the Series D Bond Subsidy Payments with respect to the next interest payment on the Series D Bonds. If the Paying Agent or another third party is appointed to assist the District by completing and submitting form 8038-CP, the District agrees to enter into at the time of such appointment an agreement providing for such services.
- (d) Qualified Issuer. The District is local government qualified to issue the Series D Bonds under Section 54F(a)(2) of the Tax Code. The District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent.
- (e) Qualified School Construction Project. The District shall assure that all of the Available Project Proceeds will be used for Qualified Purposes in accordance with Section 54F(a)(1) of the Tax Code.
- (f) Compliance with Expenditure Period Limitations. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period. To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Tax Code) shall be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Tax Code in the time and manner prescribed by the Tax Code.
- (g) Binding Commitment to Spend Available Project Proceeds. The District will, within six months of the Closing Date, enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.
- (h) Financing Capital Expenditures, No Working Capital. All Available Project Proceeds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

- (i) Limitation on Costs of Issuance. No proceeds of the Series D Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Series D Bonds, will be used to pay costs of issuing of the Series D Bonds. If the fees of the Underwriter are retained as a discount on the purchase of the Series D Bonds, such retention shall be deemed to be an expenditure of proceeds of the Series D Bonds for said fees.
- (j) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent, the County Treasurer or otherwise, any action with respect to the proceeds of the Series D Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series D Bonds would have caused the Series D Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code as modified by Section 54A(d)(4) of the Tax Code.
- (k) Rebate Compliance. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series D Bonds. For purposes of this paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Tax Code.
- (l) Limitation on Reserve Funds. No fund the proceeds of which are pledged to, or are reasonably expected to be used directly or indirectly to pay, principal or interest on the Series D Bonds or are reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay principal or interest on the Series D Bonds will be funded with respect to the Series D Bonds except as follows: (i) the fund is funded at a rate not more rapid than equal annual installments, (ii) such fund is funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the issue, and (iii) the yield on the fund is not greater than the rate determined under 54A(d)(5)(B) of the Tax Code.
- (m) Prohibition on Financial Conflicts of Interest. The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to the Series D Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to the Series D Bonds.
- (m) Davis-Bacon Act Requirements. The District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States

Code as such requirements relate to the proceeds of the Series D Bonds.

SECTION 5.05. *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Series D Bonds; however, any Participating Original Purchaser (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series D Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.06. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Series D Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* The County Treasurer is hereby appointed to act as Paying Agent for the Series D Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Series D Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series D Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The County Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Series D Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment

of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Paying Agent May Hold Series D Bonds.* The Paying Agent may become the owner of any of the Series D Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents.* The recitals of facts, covenants and agreements herein and in the Series D Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Series D Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.04. *Notice to Agents.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith

thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. *Events of Default.* Any one or more of the following events constitute an event of default under this Resolution:

- (a) the failure by the District to pay the principal amount of the Series D Bonds when due, or the failure to cause the balance on deposit in the Sinking Fund to equal the minimum amount required to be on deposit therein as provided in Article IV;
- (b) the failure by the District to pay any installment of interest on the Series D Bonds when due;
- (c) the default by the District in the observance of any of the covenants, agreements or conditions on its part contained in this Resolution, in the District Resolution or in the Series D Bonds, and the continuation of such default for a period of 30 days after written notice thereof has been given to a District Representative; or
- (d) the filing by the District of a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the District or of the whole or any substantial part of its property.

SECTION 7.02. *Remedies of Series D Bond Owners.* Upon the occurrence and during the continuation of any event of default, any Series D Bond Owner has the right, for the equal benefit and protection of all Series D Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and

in the Series D Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series D Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Series D Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.03. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Series D Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Series D Bond Owners.

SECTION 7.04. *Non-Waiver.* Nothing in this Article VII or in any other provision of this Resolution or in the Series D Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series D Bonds to the respective Owners of the Series D Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series D Bonds.

A waiver of any default by any Series D Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series D Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Series D Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series D Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Series D Bond Owners, the District and the Series D Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* The Board may amend this Resolution from time to time, without the consent of the Owners of the Series D Bonds, for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) to confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the Series D Bond Owners in the opinion of Bond Counsel filed with the District; or
- (d) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series D Bonds.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Series D Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Series D Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Series D Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 or shall reduce the amount of moneys pledged for the repayment of the Series D Bonds without the consent of all the Owners of such Series D Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written consent.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, gives to any person other than the District, the County, the Paying Agent and the Owners of the Series D Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Series D Bonds.

SECTION 9.02. *Defeasance of Series D Bonds.*

(a) Discharge of Resolution. Any or all of the Series D Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Series D Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Series D Bonds; or
- (iii) by delivering such Series D Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series D Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series D Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Series D Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series D Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Series D Bond (whether upon or prior to its maturity or the redemption date of such Series D Bond), provided that, if such Series D Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been

made for the giving of such notice, then all liability of the District in respect of such Series D Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series D Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Series D Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Series D Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Series D Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Series D Bonds and all unpaid interest thereon to maturity, except that, in the case of Series D Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series D Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series D Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Series D Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Series D Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Series D Bonds and remaining unclaimed for two years after the principal of all of the Series D Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series D Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease;

provided, however, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series D Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series D Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by Series D Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series D Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series D Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series D Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series D Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series D Bond shall bind all future Owners of such Series D Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal or interest on the Series D Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series D Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Series D Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any Series D Bonds

which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series D Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series D Bonds therein referred to.

SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series D Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief financial officer of the District in trust for the benefit of the Series D Bond Owners.

SECTION 9.08. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED on August 6, 2012, by the following vote:

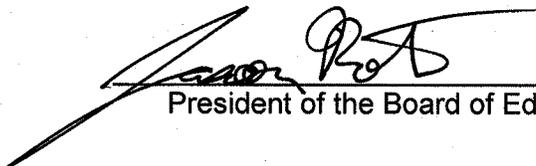
AYES: 4

NOES: 0

ABSENT: 0

ABSTAIN: 1

ATTEST:



President of the Board of Education



Clerk of the Board of Education